

From the suppression of a free press in Hong Kong to the mass internment and torture of the Uighurs, the record of human rights abuses carried out by CCP is as horrific as it is long.

We must hold the Chinese Communist Party accountable. As a member of the Congressional-Executive Commission on China, I am committed to working with my colleagues to hold China responsible for their abuse.

Madam Speaker, I stand with those fighting for freedom and democracy.

#### HONORING THE LIFE OF OFFICER THOMAS SAWYER

(Mr. MRVAN asked and was given permission to address the House for 1 minute.)

Mr. MRVAN. Madam Speaker, I rise today to honor Officer Thomas Sawyer of the Hammond Police Department, who heartbreakingly passed away earlier this month after a 5-week battle with COVID-19.

Officer Sawyer's life's work was one of public service. After serving as a member of the United States Air Force during tours in Iraq and Afghanistan, he went on to serve another 23 years with the Hammond Police Department.

The first responders of northwest Indiana and across our Nation run toward danger at a moment's notice in our times of greatest need, and our communities will forever be grateful for the selfless service of Officer Sawyer.

As Officer Sawyer contracted this disease in the line of duty, let us continue to recognize its ever-present danger and how we must take action to keep ourselves and our neighbors safe.

My thoughts and prayers continue to be with his wife, Mary, and all of his family and friends during this difficult time.

#### APPOINTMENT OF MEMBERS TO THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to 22 U.S.C. 3003, and the order of the House of January 4, 2021, of the following Members on the part of the House to the Commission on Security and Cooperation in Europe:

Mr. COHEN, Tennessee, Co-Chair  
Ms. MOORE, Wisconsin  
Mr. CLEAVER, Missouri  
Mr. VEASEY, Texas  
Mr. GALLEG0, Arizona  
Mr. WILSON, South Carolina  
Mr. ADERHOLT, Alabama  
Mr. HUDSON, North Carolina  
Mr. FITZPATRICK, Pennsylvania

#### REPEAL UNJUST SALT CAP AND RESTORE FULL DEDUCTION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2021, the gentleman from New York (Mr. SUOZZI) is recognized for 60 minutes as the designee of the majority leader.

#### GENERAL LEAVE

Mr. SUOZZI. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the subject of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SUOZZI. Madam Speaker, tonight, over the next hour, I, along with my colleagues from both sides of the aisle, will rise to advocate for the repeal of the unjust and unfair SALT cap and the full restoration of the SALT deduction. There are five basic arguments that I, along with my colleagues, will flesh out over the next hour.

One, the SALT cap was specifically and unjustly targeted against the residents of New York, New Jersey, California, Connecticut, Illinois, Massachusetts, Maryland, Minnesota, Michigan, Oregon, Pennsylvania, Virginia, Rhode Island, Hawaii, and other congressional districts with high local and State taxes.

Two, middle-class families, which in these States can earn between \$100,000 and \$200,000 per year, are disproportionately impacted in a negative way.

Three, these same middle-class families, as well as wealthy families, are incentivized by the loss of the SALT deduction to leave States with high State and local taxes, thereby leaving a gaping hole in the revenues that are used by these same States to fund their programs. When wealthy individuals and families leave our States because they have been incentivized to leave because of the loss of the SALT deduction, it is middle-class and low-income people who are left behind to hold the bag. Because of the gap in revenues, they will either face higher taxes, which is unacceptable and unsustainable, or reduced services, which is unlikely.

Four, the SALT cap is anti-union because one of the main reasons that taxes are higher in SALT States is because we pay our teachers and our public safety and our civil servants significantly higher wages than our low-tax competitor States.

Five, many States with high State and local taxes that have been negatively affected by the SALT cap are net donors to the Federal Government. That is, these States contribute more to the Federal Government in income taxes than they receive in Federal programs and contracts. They are donor States.

Why are the taxes higher in New York, California, and other SALT States? Why are the taxes lower in Florida, Texas, and other low-tax States?

The reason for our higher taxes is because we insure our children. New York State and California have some of the lowest rates of uninsured children in the Nation, while Texas and Florida

have some of the highest rates of uninsured children in our country. We adopted the Affordable Care Act; they refused to.

Our States have the highest rates of union employees. Our low-tax competitors don't like unions. In fact, they actively oppose them. They have right-to-work laws. They don't pay their teachers well.

In States like New York, we have one of the greatest mass transit systems in the world that delivers the lowest carbon footprint per capita of any city in the world. In California, they have been implementing policies to address climate change for decades. Yet, in low-tax States, they have no mass transit to speak of, and they are still debating whether climate change is a hoax.

Secretary Yellen has said that we need to stop the international race to the bottom by creating a global minimum corporate tax. Well, we need to discourage a race to the bottom right here in the United States of America.

It is cheaper not to insure your children. It is cheaper to use nonunion labor. It is cheaper to have lax environmental regulations, unregulated utilities that shut down in cold weather, or septic tanks instead of sewers that cause red tide in your waterways.

Each State, each city, each laboratory of democracy has decided how they want to govern, what services they want to provide, and how much in taxes they will collect. By removing the SALT deduction, the first deduction in the Federal income tax code, a deduction that has been in place for over 100 years, by capping this deduction, we are crippling the very States, cities, and local municipalities that are the economic engines of our Nation.

By capping the SALT deduction, the long arm of the Federal Government is reaching into our States and local governments to try to determine what programs they should provide, how much they should collect in taxes. They are breaching the covenant of federalism that has been in place for over 100 years.

That is why, tomorrow, will be holding a press conference with the U.S. Conference of Mayors, the National League of Cities, and the National Association of Counties to showcase how the SALT cap is devastating our local governments.

Last week, we held a press conference with unions to show how they are negatively impacted by the SALT cap.

That is why, tonight, so many of my colleagues are here to join me in our call to repeal the unfair and the unjust SALT cap.

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Now, I yield to my friend from California (Mrs. KIM), who has taken a leadership role from the other side of the aisle to talk to us about SALT.

Mrs. KIM of California. Madam Speaker, I thank my friend, Representative SUOZZI from New York, for yielding. And I want to thank him for working with me in a bipartisan push to repeal the cap on SALT deductions that is hurting American workers and families.

Californians in the 39th District—which I represent—and across our State, have been burdened enough by high State and local taxes in addition to high cost of living and housing. The last thing they need is to be hurt even more because of these State and local taxes at the Federal level.

I have heard from many of my constituents about the burdensome taxes they have to pay as a result of the SALT cap. These are workers, business owners, and families who are struggling to survive due to the COVID-19 pandemic. It is estimated that in the 2022 tax year, California's 39th District will pay on average \$600 million more in taxes.

In 2018 alone, Californians paid an additional \$11.2 billion in Federal taxes because of the SALT cap. That translated into 55,000 fewer jobs and a loss of \$3.4 billion in wages.

Assuming a middle-of-the-road rate of 25 percent, an average taxpayer who claimed itemized deductions would have saved \$6,521 in taxes if the SALT deduction were not capped at \$10,000. These high tax rates are on top of the skyrocketing housing prices across the State. In fact, according to the National Association of Realtors, the median price for a single-family home in California has increased by more than 39 percent in the past year alone, surpassing the \$800,000 threshold for the first time in April of this year.

That is why it is a top priority of mine in Congress to make life more affordable for Californians and repeal the SALT cap. This is hurting my constituents and many middle-class Americans across the Nation.

I was proud to join my friend, Representative SUOZZI, as an original cosponsor of the SALT Deductibility Act. This bill would simply repeal the cap on SALT deductions and send a message: No more to burdensome taxes, and yes to our families keeping more money in their hands.

I am also proud to serve as co-chair of the bipartisan SALT Caucus as we continue to work together to repeal this cap and help lower taxes for my constituents and businesses.

I will continue to do all I can to deliver results for California's 39th District. I thank Representative SUOZZI for organizing this Special Order and for his leadership to repeal the SALT cap.

Mr. SUOZZI. Madam Speaker, I appreciate Congresswoman KIM so much and thank her for being here this evening.

You have been hearing about the SALT cap and the effect on your constituents. Have they been talking to you about this a great deal?

Madam Speaker, I yield to the gentlewoman from California (Mrs. KIM) for the purpose of a colloquy.

Mrs. KIM of California. Madam Speaker, on a regular basis we have had townhalls and we have had regular meetings throughout my business roundtable discussions, and they brought this issue up over and over.

Mr. SUOZZI. And are people talking about leaving the region because of the effect of the taxes? I yield to the gentlewoman.

Mrs. KIM of California. In the last several years we have had many thousands of Californians leaving to other States like Texas, and I have to literally go over there to meet my friends and listen to these problems. So, yes, this is a major issue, and I will continue to work with the gentleman to repeal the SALT cap.

Mr. SUOZZI. Madam Speaker, I thank Congresswoman KIM for her comments.

At this time, I yield to the gentleman from New Jersey (Mr. PASCRELL), who has been a real leader on the issue of SALT, and who has been outspoken ever since 2017 on this issue. We are grateful to him.

Mr. PASCRELL. Madam Speaker, I thank Mr. SUOZZI for yielding.

When talking about the SALT deduction, we are not griping about something that came about yesterday. The SALT deduction goes back to the Civil War. We are talking about 150 years of history when President Lincoln had to fund a brand-new army to crush the traitor States in the South. So we must use the 150-year history as a baseline for our tax policy when discussing reform.

It is not low-hanging fruit as it was in 2017 when they looked for the money for the false tax cuts and they got slammed out of office in 2018. Go to the facts.

Abe knew what he was doing, how it took money away from the States. They couldn't build hospitals. They couldn't build schools. They couldn't build roads. He knew what he was doing. The States needed money, too.

Republicans targeted blue States. They bragged about it. I couldn't believe it. I couldn't believe my ears when I heard them on the floor of the House openly admitting it. They made no qualms about it. They targeted these blue States when passing their 2017 tax scam. Talk about a hoax. They bragged about it.

Its motivations alone are disqualifying, but its impacts are worse. SALT was a lifeline to the middle class. Despite half-truths and outright falsehoods, SALT is about the middle class, and if you can't stand up for the middle class, you shouldn't be here.

In 2017, 42 percent of the Jersey taxpayers, nearly 2 million people, deducted their State and local taxes, averaging over \$19,000 per household. That is a \$9,000 increase in taxes. Those phonies did it. That is why they got smashed in 2018.

More than 81 percent of those who deducted SALT earned less than \$200,000. Naysayers claim this deduction only benefits the well-off. They do not recognize the cost of living in our States. The same people who voted for the tax cuts that helped the 1 percent, the 1.5 percent, they felt badly about the rich people who—one clown who went to jail in New York State, before he went, he said that we had to take care of our donors. He said it. I didn't. I mean, he didn't go to jail for saying that. He played the stocks.

Middle income in New Jersey is not the same as Oklahoma or South Dakota. Housing, food, childcare, and transportation costs are much lower there. Our middle-class taxpayers are the pack mules of the U.S. tax system, and as one of our brothers from New Jersey would say, we are tired of being the lackeys for these other States. Look who is paying Federal taxes.

Our middle-class taxpayers will no longer sit idly by. This cap dumped even more weight on the backs of my constituents in my district, the Ninth District of New Jersey. I appreciate the growing recognition that relief is needed.

Senator SANDERS' budget draft is an important step in the right direction. But we have got to think big. We demand relief now for our States and our middle-class constituents. They are the backbone of the Biden administration's coalition. Just last week, we stood shoulder to shoulder with working-class firefighters, police officers, and teachers who support our SALT demands. Our urgency is absolute.

We won't allow our neighbors' pay to be taken for granted. I will close with just four words: No SALT, no deals. And I will close by saying that Abraham Lincoln, one of the greatest Presidents in the history of the country, a true patriot, he stood behind the middle class. He knew what the States went through.

This is the oldest deduction on the books, and they have criminalized it. And if anything I reported here is not right, I hope they stand up and say that it is not right. I have got the other facts here. What other facts are you talking about?

Mr. SUOZZI. Well, I thank Mr. PASCRELL very much for his comments. I wanted to mention that the gentleman served as the mayor of his hometown. I yield to the gentleman.

Mr. PASCRELL. Yes, I did.

Mr. SUOZZI. And you talk about President Lincoln when the Federal Tax Code was first adopted, and the idea was that we didn't want the Federal Government stopping local governments and State governments from being the laboratories of democracy.

Mr. PASCRELL. That is right. It is a fact of life, yes.

Mr. SUOZZI. And so they put a deduction in place for State and local taxes so that State and local governments could govern the way they wish.

Mr. PASCRELL. And they could build the hospitals and the schools and

the roads. Where were they going to get the money if the Federal Government took all of the money to fight the war?

Mr. SUOZZI. Madam Speaker, I know that the gentleman has always been a strong proponent for law enforcement, for the firefighters, and public safety officials, and they are very dramatically negatively affected by this. Is that right?

Mr. PASCRELL. Yes. And many of the first responders came out and supported this bill last week.

Mr. SUOZZI. Madam Speaker, I thank Mr. PASCRELL very much for his comments.

I yield to the gentlewoman from California (Ms. ESHOO), a good friend and a leader, not just on this issue but in Congress.

Ms. ESHOO. Madam Speaker, I thank the gentleman for yielding to me and certainly for his wonderful leadership on this issue.

Anyone that is tuned in this evening from across the country is hearing a lot of passion spilling over at the podiums here, and for very good reason. In 2017, despite the opposition of every single Democrat in the United States House of Representatives and some Republicans, Congress passed a tax law that bulldozed the State and local tax deductibility. This hurts a lot of people.

Now, that was close to a \$5 trillion package and so why was this bulldozed? They went through the Tax Code looking for things that were deductible to lower the price tag of a highly inequitable tax package. And the SALT deduction, as it is known, was then capped at \$10,000 for both individuals and then for married couples filing jointly.

I viewed this then, as I do today, as an assault on the middle class of our country. It was one of the main reasons that I voted against the 2017 tax law. Now I think that if you ask the question of 435 Members of the House: Do you support the middle class? They would all say "yes." But the RECORD shows something else.

We know that everyone aspires to get into the middle class, and we know that the middle class, as my father always used to say, is made up of extraordinary, ordinary people who are the backbone of this country. And that is why this policy is so wrong and it is so hurtful.

This is a very important deduction for the middle class. Middle class, you file long term, and you have four areas that you can deduct: mortgage interest deduction, charitable contributions, healthcare expenses, and State and local taxes. And they wiped that out.

Now, you tell me whether that is fair or not. I don't think so. And I don't think people across the country do either. Capping the SALT deduction affects nearly 200,000 families in my congressional district.

I am not talking about the whole State of California. I am talking about

California's 18th Congressional District, and it has raised taxes on over a million households in the State of California. Prior to this harmful cap, my constituents—hold on to your seats, hold on to your hats—deducted an average of \$63,083 in State and local taxes. Wiped it out.

Some have unfairly, I think, maligned the SALT deduction as a benefit for the wealthy. I think it is an essential deduction for taxpayers in high-cost, high-tax States like California. And that has been spoken to earlier. That is a very important legitimate case to be made. In the bay area, the beautiful bay area of California, northern California, the cost of living is really very expensive, and it keeps going up.

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And it is so high that the Economic Policy Institute estimates that a family of four needs to earn more than \$100,000 to earn a modest but adequate standard of living. That is simply a fact.

So prior to the law, more than 3 million households in California with an income of less than that annually claimed this deduction, as did nearly one-third of taxpayers nationwide.

This evening, I think each one of us can outline why this is wrong; why the deductibility needs to be restored. Congress needs to reform our tax code. And when we do, so should the restoration of this deductibility be restored.

Why?

Because, again, the middle class is the backbone of America. We should not be assaulting them. We should be assisting them.

Madam Speaker, I thank the gentleman for leading this effort this evening. It is a worthy one.

Mr. SUOZZI. Madam Speaker, I thank the gentlewoman for her leadership on this and for being such a fierce advocate for the middle class.

I now introduce a good friend of mine from California, who really had a district that was devastated by COVID. People lost their jobs at one of the greatest entertainment facilities in the country, and now he wants to tell us about how SALT is affecting his district.

Madam Speaker, I yield to the gentleman from California (Mr. CARBAJAL).

Mr. CARBAJAL. Madam Speaker, I thank the gentleman for yielding.

The gentleman is right, Madam Speaker, COVID really devastated my community, but, more importantly, SALT also landed a devastating punch.

This issue is about proud Californians who pay more than their fair share of Federal taxes. It is about equity for fellow Americans, like Californians, and other States like California.

California today is still the largest State in the United States in terms of population and economic activity. For years and years, California has been a net donor State to the United States.

Let me repeat. For years and years, California has paid more Federal dollars than it gets back from the Federal Government.

We Californians work hard. We live in a State that generates tremendous economic activity, and we have a very high cost of living. And we pay more—we pay more than our fair share of taxes proudly. As Americans, we pay our Federal taxes proudly.

So I ask why? Why is the Federal Government not being fair to States like California?

So why do we randomly have a law that arbitrarily caps our State and local tax deductibility on our Federal taxes?

This SALT cap hurts. It hurts my friends and neighbors. It hurts middle-class families in California. In my State, the average price of a home, a used house, middle class, is now close to \$800,000.

So why would we make it more difficult, more expensive for a middle-class family to buy a home?

I say to all of you, both sides of the aisle, let's be fair and let's be equitable to the middle class in this country. Join me in thanking States like California for paying more than their fair share of Federal taxes. Join me by eliminating the SALT cap, that is deductibility of local taxes on the Federal return.

And I say to you: No SALT deductibility, no deal.

Mr. SUOZZI. Madam Speaker, I just want to—some people, when they hear you talk about this, and they hear a home worth \$500,000, \$600,000, \$700,000, \$800,000, they think, boy, that person must be really rich.

What they don't seem to understand is that in my State, in your State, and many of the States represented here, those are actually middle-class home values.

Mr. CARBAJAL. That is a starter home.

Mr. SUOZZI. So we have to recognize that the country is not the same all over. If you make \$150,000 in your household, you are in the top 20 percent of the income earners of the country.

However, if you make \$150,000 in your district or my district, you are not a rich person. If you make \$150,000 in Oklahoma or in Iowa or North Dakota, you may be a wealthy person. So we have to recognize these regional differences.

People say: Well, why should we be subsidizing what you are doing?

And the gentleman points out so clearly in what he just spoke about that we are, in fact, in our States, subsidizing the rest of the country. We are net donors and they are net takers.

Mr. CARBAJAL. We pay more than our fair share of Federal taxes year after year.

Mr. SUOZZI. I thank the gentleman for being such a fierce advocate.

Madam Speaker, I want to travel across the country from California now

to New Jersey, to another fierce advocate; someone who served in the U.S. military as a Navy helicopter pilot for 5 years both in the Middle East and in Europe; someone who has been one of the fiercest advocates for the reinstatement of the SALT deduction.

Madam Speaker, I yield to the gentlewoman from New Jersey (Ms. SHERRILL).

Ms. SHERRILL. Madam Speaker, I am proud to be rising today alongside so many of my colleagues to declare loudly that the time has come to finally address the State and local tax deduction cap for families that have been slapped with this double tax for 4 long years.

In States like New Jersey, we pride ourselves on making the investments necessary to sustain our top-tier public schools, invest in infrastructure and open spaces, and support a prevailing wage for our unions. That is why people move to my State. That is why families stay for generations.

But when the SALT deduction cap imposed by the 2017 Trump tax bill instituted, our ability to keep making those key investments was threatened.

The SALT deduction cap affects residents in every corner of my district. It impacts families made up of teachers, first responders, and public servants.

For my constituents and millions of taxpayers throughout the country, the bottom line is you don't have to be a millionaire to be impacted by SALT. The simple fact is that it has imposed a harmful double tax and has created one of the largest marriage penalties in the Federal tax code.

With the SALT cap in place, States and localities face increased pressure to cut back on important investments in priorities like education, prevailing wages, infrastructure, environmental protections, and services for seniors. Those investments became harder to make when the Federal Government decided to tax New Jersey families twice. This means that more New Jerseyans' money is going to the Federal Government, instead of being invested in our local communities.

The result will be less spending over time on these priorities, which would be a detriment to ensuring our economy works for everyone.

I have been fighting since my first day in office to repeal the SALT deduction cap. I have helped secure passage of a repeal twice in this very Chamber. And I feel confident that so many of my colleagues understand this issue and why it is critical that we repeal it; largely because of the work and advocacy of the Members who are speaking here tonight.

But we need to keep up this fight for our constituents. As we head into crunch time on infrastructure negotiations in Congress, now is the time to deliver relief for families across New Jersey and States around the country that are disproportionately impacted by this harmful double tax.

Last week, I launched an initiative back in New Jersey, declaring it the

Summer of SALT, to make it clear that we will do everything in our power to make it happen. There simply isn't another option for New Jersey families.

Mr. SUOZZI. Congresswoman, you have been an amazing advocate. You mentioned in your remarks at the end there about this being a double tax. Can you tell us a little bit about that?

Ms. SHERRILL. Sure. So as you know, the people in my district pay State and local taxes, and that is what funds our great public school system. New Jersey has the best public school system for 2 years running in the Nation; types of things like that, services that our New Jersey families care so much about. And now the Federal Government is taxing that money. So you are getting taxed twice in New Jersey, to really put downward pressure on our ability to fund those great public services.

Mr. SUOZZI. So you are getting taxed on the taxes you have already paid.

Ms. SHERRILL. Exactly.

Mr. SUOZZI. So if a family makes \$100,000 in your State, and they have to pay \$20,000 in taxes, between their property taxes and their income taxes, that leaves them with \$80,000 of that income.

However, if they are in a low tax State where they don't have as good services, they start with \$100,000, but they only pay \$5,000 in State and local taxes, they have got \$95,000 left in income.

Ms. SHERRILL. Yep. Exactly.

Mr. SUOZZI. But they are being taxed the same at the Federal level.

Ms. SHERRILL. And now not able to deduct that.

Mr. SUOZZI. Madam Speaker, now I want to go across the aisle again to Congresswoman MICHELLE STEEL from California, who is also being accosted by her constituents. They are talking to her about the fact that they need the SALT deduction back.

Madam Speaker, I yield to the gentlewoman from California (Mrs. STEEL).

Mrs. STEEL. Madam Speaker, I thank Congressman SUOZZI for leading this important tax matter. It is very important to our constituents.

Taxpayers in California's 48th Congressional District, which I am proud to represent, were responsible for 19.8 percent of all SALT deductions in 2018.

The average SALT deduction lost in my district was \$28,532. In a place like Orange County, where we already pay some of the highest taxes in the country, this cap takes more money from hardworking families.

There were great improvements made in the 2017 tax reform law, like simplifying the tax code and making the corporate tax rate more on par with other nations. But it also chose winners and losers; and, unfortunately, those in high-cost-of-living States, like in New York and California, are paying the price.

This is a bipartisan issue because we know how much this affects hard-

working families in these high-cost States. I do think we can make progress on this, but not at the cost of raising taxes on Americans and American businesses, especially at a time when we are working to rebuild our local economies and get businesses back open.

This is a bipartisan issue. We can't muddy the water by adding it to partisan legislation that will pass on party line only. I don't want to see additional tax gimmicks come before Congress. I want the deduction back on the table.

I am proud to support two pieces of legislation that would fully repeal the SALT cap. One bill by my fellow Californian, MIKE GARCIA; and the other one by New York Congressman THOMAS SUOZZI.

Our constituents should keep more of their hard-earned money. It belongs to them, not the Federal Government.

I am proud to join my colleagues on both sides of the aisle to continue calling for a repeal of the SALT cap.

Mr. SUOZZI. Congresswoman, thank you so much for being here tonight and for speaking out on this very important issue. We are grateful for your presence here tonight.

Madam Speaker, at this time I would like to go to the middle of the country, to the State of Illinois, where my good friend who serves on the Ways and Means Committee really is one of the brightest minds in Congress today, who wants to speak to us about the SALT deduction and its effect on his district.

Madam Speaker, I yield to the gentleman from Illinois (Mr. SCHNEIDER).

Mr. SCHNEIDER. Congressman SUOZZI, I am grateful for you holding this Special Order. I am grateful for your friendship in Congress and the work we do together on many things, but, in particular, on our efforts to repeal the onerous cap on the SALT deduction.

In 2017, the Trump administration raised taxes for middle-class families in Illinois and across the country by capping the State and Local Tax deduction at \$10,000.

The decision was both bad policy and bad politics. Capping the SALT deduction raised the tax burden for Illinois working families and small business owners.

In the 10th District, my district, 42 percent of families rely on the SALT deduction. Statewide in Illinois, one in three taxpayers file using the SALT deduction affected by this cap.

And this deduction is not a tax break on the wealthy. Eighty-five percent of Illinois filers who take the SALT deduction are middle-income individuals and families.

I have heard from constituents, and some of them want to move out of Illinois because their taxes are simply too expensive. I see everything our communities have to offer, from our schools, our parks, our public places, communities that make a difference and make a great place to raise family; and it

breaks my heart that someone would choose not to live in the 10th District just because of an unfair decision made to increase the tax burden to punish States like Illinois.

The SALT cap also makes it harder for our cities to provide essential services, like police departments, fire services, fire protection services, libraries and public health. These services and the workers performing them are the backbones of our community. The pandemic has already strained their budgets, and we do not need to strain them any further.

Finally, it is no accident which States are most affected by the SALT cap. These are the States most affected: Illinois, New York, New Jersey, and California.

These States have made the decision to invest in their communities, to invest in their people. They have invested in their children, their schools, their infrastructure. We should not be double-taxed just because we have decided that we want to continue to pay to make our communities stronger.

Reinstating the full SALT deduction is a decision about fairness and responsibility. A Federal tax on income already paid to State and local governments is, quite simply, double taxation. We have the responsibility to stand up for our families, our small businesses, and our communities.

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We need a tax system that is fair, lifts our Nation, and gives our children the future that we all want them to have. It is critical that we reinstate the full SALT deduction and reduce the tax burden for middle-class families across the country.

Mr. SUOZZI. Congressman, I want to thank you so much. You hit on the topic of fairness so many times. Many of our States and our local governments have relied on this deduction for literally a hundred years, and it was suddenly taken away in 2017. It has had a dramatic effect.

Can you briefly touch on fairness one more time?

Mr. SCHNEIDER. Absolutely. As you know, when the income tax was put in place more than 100 years ago, it was a decision that communities, that States that decided to invest in their people, would not be double taxed.

Yet, in 2017, the decision of the Republicans was to specifically attack these States, these blue States like Illinois and New York. It is unfair to these communities that are investing in schools, public services, fire departments, police departments, making the decision to responsibly pay for them, and then have their residents told they have to pay a second time with the Federal tax.

To add on top of that, these are the States, like New York and Illinois, who pay more to the Federal Government than they get back. So not only are we getting double taxed, we have a burden of subsidizing the States that are attacking us now.

So this is absolutely unfair. It is unfair to the States. But, more importantly, it is unfair to the families we represent.

Mr. SUOZZI. Thank you, Congressman. It really galls me sometimes when I hear people boasting about the fact that they are leaving our States and moving to other States, when, in fact, we are subsidizing the rest of the country with our tax dollars. Thank you so much for your leadership on this issue. We are very grateful.

Madam Speaker, I yield to the gentlewoman from California (Ms. PORTER), one of the most progressive Members of the United States Congress, and also one of the great intellects who has been so passionate about this issue and has some very interesting things to share with us.

Ms. PORTER. Madam Speaker, I am here today to champion tax fairness for every American across the country, across parties, and across the aisle. We are here tonight to talk about what does it mean to have a fair tax system.

Since coming to Congress, I have repeatedly heard from my constituents about how the Trump tax bill doubled the taxes they owe due to an arbitrary cap on allowable State and local tax deductions, often called SALT.

In the last year before this arbitrary \$10,000 cap was imposed, nearly two in five taxpayers in my district claimed the SALT deduction, and their average deduction was \$22,000 per household. They were paying an average of \$22,000 in State and local taxes.

Capping the SALT deduction created double taxation on those families, and it penalized millions of middle-class families—Republicans, Democrats, and Independents alike—based solely on the State where they live.

It is an unfair Federal tax system to penalize people based solely on their State of residence, yet that is what this arbitrary SALT tax cap does.

Given the rising cost of housing, prescription drugs, college, and childcare, every dollar counts for American families and families in Orange County. This is especially true after a year of financial hardship during which millions of families across the country are struggling to stay afloat.

Madam Speaker, I urge my colleagues across the country and across the aisle to restore the State and local tax deduction to create a fairer tax system for every American.

Mr. SUOZZI. Congresswoman, I ask you, please go into it a little bit further about this concept of double taxation. We have heard it several times here tonight. Just explain what you mean by double taxation.

Madam Speaker, I yield to the Congresswoman for a colloquy.

Ms. PORTER. The basic principle of an income tax is that you are taxed on the money that you have available to purchase things, to purchase goods and services, to invest, to save. You are taxed on that. That is what a progressive system of taxation means.

When you are having taxes taken out of your paycheck, or you owe taxes to your State and local government, you do not have that income left over.

So let's use an example. If someone earns \$100,000 and they pay, as is typical in my district, \$20,000 in State and local tax, that is not optional. They must pay that \$20,000 under the law. What they have left to provide for their family, to save for college, to pay for housing, to do other things, is \$80,000. That is the amount of income that the Federal Government should tax.

What the SALT cap does is say to the family earning \$100,000: You can only deduct \$10,000, a completely arbitrary number.

What that does is say to a family that only has \$80,000 left because they had to pay the county, they had to pay the city, they had to pay for fire services and school services. And they pay that money because they are proud of their community and they want our communities to thrive. But then they are taxed as if they have \$90,000 available to them, but they don't. They only have \$80,000.

So this whole idea of capping the State and local tax deduction is completely contrary to the entire basic theory of an income tax, which is you pay tax on your available income. If you owe money to the State and county government, whether it is for property tax or State or city taxes, you do not have that money left.

In effect, these families are being asked to pay money and find money they do not have relative to their peers in other parts of the country. That is simply an unfair tax system.

Mr. SUOZZI. It is very important, Congresswoman, what you point out. This is a mandatory payment. You are not spending the money to go on vacation; you are not spending money to go out to dinner; you are not building an addition onto your home. This is a mandatory expense that you must pay, as you said, to your county, to your village, or to your State. That is no longer available to you.

In other States where the overall income is exactly the same, but the mandatory taking is much smaller, the tax bill is not as burdensome.

Ms. PORTER. That is right. So the State and local tax deduction is really about saying that two families in two different States, trying to support themselves on the identical amount of income, ought to owe the same amount of Federal tax. That is what we are here to champion today.

I am proud to be doing it with colleagues from across the country and across the aisle.

Mr. SUOZZI. Congresswoman, I want to thank you so much for being here. We have had some Republicans across the aisle here tonight. We have had some moderate Democrats here tonight. And we have progressive Democrats, such as yourself, here.

I think it is important that we point out that actually the SALT deduction

is in keeping with progressive policy, because it supports those States that want to promote progressive policies within their States.

Ms. PORTER. That is right. Because cities and counties depend on the resources from State and local taxes to be able to pay for schools, to do a good job educating every single child, to make investments in roads and bridges, to pay first responders fair wages for putting their lives on the line to protect us.

These are the kinds of policies that progressives champion, and we cannot ask our cities and our States and, most importantly, our fellow Americans to make those kinds of investments on the city, county, village, and local level, and then have the Federal Government treat them unfairly solely because they are trying to do right by each other in their community.

Mr. SUOZZI. Congresswoman, thank you so much. We really appreciate you being here this evening to talk about this.

Madam Speaker, I yield to the gentleman from New Jersey (Mr. GOTTHEIMER), back across to the other side of the country, one of my neighbors and good friends who serves as the chair of the Problem Solvers Caucus. He has been one of the strongest advocates for the reinstatement of the SALT deduction and the repeal of the SALT cap.

Mr. GOTTHEIMER. Madam Speaker, we are here today representing tens of thousands of middle-class families, like those back in my home district in northern New Jersey, who got whacked with the 2017 tax hike bill, which gutted our State and local tax deduction with the disastrous \$10,000 cap.

It is high time that Congress and the rest of the country heard just how badly these hardworking families have been hurt by the SALT cap. It is something I know we heard about a lot tonight, and I really want to thank my dear friend TOM SUOZZI for his excellent leadership on this issue.

The usual naysayers continue to try to undermine our efforts to reinstate the State and local tax deduction, or SALT, by claiming it is just a giveaway to the wealthiest Americans. But anyone who actually lives in my district in northern New Jersey knows that the \$10,000 cap has hit middle-class families hard, many of whom are already struggling with high costs.

It has also caused residents and jobs to leave our State. And now, with a declining tax base, it's threatening our best-in-class schools, teachers, law enforcement, firefighters, and our State's services for hard-pressed families.

The cap on the State and local tax deduction does not solely impact the highest earners. It has also increased taxes on scores of middle-class families, as I said. It is a very important point to understand.

In Bergen County, which is the largest county I represent, for instance, before the cap was put in place, the aver-

age SALT deduction was above \$24,000 a year. Put another way, a married couple in Bergen County, a teacher and a law enforcement officer making a typical salary, could have had a SALT deduction of more than \$17,000.

According to reporting from New Jersey's Star-Ledger, if we reinstated the State and local tax deduction, nearly one-third of New Jersey residents, almost 3 million people, would get tax relief. Yes, they would get a tax cut they so desperately need. As many as 80 percent of them had incomes of \$216,000 or less.

Again, that is a firefighter and a teacher. That is hardly the 1 percent, especially in a high-cost-of-living area like New Jersey. I know the same thing is true of California, like we heard about from KATIE PORTER, or TOM SUOZZI's district in New York.

We know that when taxes goes up, it leads to an exodus of middle class and higher earners in State likes ours. In fact, according to United Van Lines, ever since the SALT cap, New Jersey has been the number one out-migration State in the entire country. New Jersey is losing its highest earners, and the disproportionate taxes they pay, to States like Florida, North Carolina, and Texas. That has only been exacerbated during the pandemic.

The SALT cap is literally draining the tax base out of States like New Jersey that offer far better schools and government-supported services to middle- and lower-income families than our counterparts in other parts of the Nation.

For instance, I mentioned \$15,000 is the median property tax in Bergen County, New Jersey. If you go to Mississippi, their median property tax is \$550 a year.

The New York Times editorial board even once reiterated this point that I am trying to make, where we have good services for hard-pressed families in States like mine and other State I mentioned, like Mississippi or Alabama, don't have the resources to offer those kinds of services.

So The New York Times editorial board made this point when they said that States like New Jersey and New York "generally do a better job of providing for the health and welfare of their citizens, and are more willing to pay for institutions that are good for society as a whole."

This is the difference between States like ours and moocher States like Mississippi and Alabama that tend not to give back to the people they represent.

Thankfully, there is real bipartisan work taking place here in Congress to reinstate the SALT deduction, to get more money back in the pockets of Jersey middle-class families, and to help stop residents from moving out and eroding our State's tax base.

Along with Congressman SUOZZI, I have helped introduce the SALT Deductibility Act, a bipartisan bill to fully restore the deduction.

In the SALT Caucus, with Congressman BILL PASCRELL, who spoke earlier,

we are working in a bipartisan way with more than 30 Members to find a way to get this done in Congress and to actually get tax relief for the middle-class families we represent. I am very proud to co-chair that bipartisan caucus.

This tax cut of reinstating SALT can be a win-win for everyone. Let's get the SALT deduction fully reinstated so that millions of Americans and families nationwide can finally get some relief.

Working together in a bipartisan way, I believe we really can get this done so that our best days are always ahead of us.

Mr. SUOZZI. Congressman GOTTHEIMER, thank you so much for pointing out all of those important points.

I want to go back to one thing that you have mentioned here tonight. We have heard from Senator MCCONNELL and from others the concept of a blue State bailout, the idea that the SALT deduction is some sort of advantage for blue States. But you talked about how your State is actually a net donor to the Federal Government.

Could you tell us a little bit more about that?

Madam Speaker, I yield to the gentleman for a colloquy.

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Mr. GOTTHEIMER. Madam Speaker, I would be happy to.

One of the biggest challenges people don't realize for States like New Jersey, New York, Connecticut, and California is how much our taxpayers pay into the Federal Government and, historically, how we get back less in return than some of the other States in the country do.

For instance, for every dollar that Mississippi sends to the Federal Government, they get \$4.38 back. Alabama, I believe, receives \$4.32 back. The State of Louisiana starts its budget every year with half coming from the Federal Government.

States like Jersey, we get back 67 cents, historically, on the dollar.

What does that mean? It means that we pay lots of money to Washington. People like me are fighting to claw more back to Jersey, but we know that other States benefit more.

When the tax hike bill passed in 2017, and the red States gutted the State and local tax deduction, capping it at \$10,000, what they did was shift actually even more of the tax burden over to blue States like ours, and the red States benefited even more.

It just reiterates, even more, the importance of actually reinstating the State and local tax deduction, not only because, as KATIE PORTER said, it is double taxation and not only because it has been around since 1913 or even before for exactly this purpose. It is because we recognize that some States pay more than others, and we have to find ways to balance that out. Otherwise, we are going to keep losing people from States like ours to States like Florida and other red States.



Frankly, that is why it is so important that we fight back to get tax relief for the people that we represent, to make sure they can afford to live in our States and that we have a good tax base to be able to have great schools and stand by law enforcement, firefighters, and others.

Mr. SUOZZI. Madam Speaker, Mr. GOTTHEIMER has been a great champion on this issue. I am grateful to him for pointing that out.

I know, in the case of my State of New York, in the past 5 years, New York has sent \$150 billion more to the Federal Government than they have received back in Federal services or Federal contracts, whereas MITCH MCCONNELL's State in the past 5 years, this same period, they have received \$150 billion more in services and contracts than they have put back into the system.

The gentleman's advocacy on this issue has been stellar. I am grateful to him for being here tonight.

Mr. GOTTHEIMER. Madam Speaker, I thank Congressman SUOZZI for putting together this Special Order hour.

Mr. SUOZZI. Madam Speaker, I appreciate the time that my colleagues and I have had tonight to make these different points.

I want to close by saying this is about fairness. It is not fair.

It is not fair that the State and local tax deduction has been in place for over 100 years so State and local governments have relied on this deduction in order to fund the programs that we have.

It is not fair that people are being taxed on taxes that they have already paid.

It is not fair that the taxes that are being paid in these States are no longer deductible on people's income tax returns.

It is not fair that, after all these years of relying on this deduction, it is no longer in place, and my colleagues on the other side of the aisle have been boasting about people leaving my State and going to their States while we are, in fact, subsidizing those very States.

This is a battle that is going to continue. Hopefully, over the next few months, we will be able to build a coalition, together, of Democrats and Republicans who recognize that this unfairness has to be addressed and that we need to restore the State and local tax deduction for the benefit of the residents of my State and people throughout the United States of America who are relying on basic fairness.

Madam Speaker, I yield back the balance of my time.

Mr. CICILLINE. Madam Speaker, I rise today in support of ending the cap on State and Local Tax deductions—better known as the SALT deduction.

For more than 100 years, an idea dating back to Abraham Lincoln, the SALT deduction has allowed families to deduct taxes already paid to state and local government from their federal tax returns.

Many middle-class Americans benefit from this commonsense tax policy every year. In

past years, almost a third of Rhode Islanders have claimed the SALT deductions, including almost 60 percent of people in my district who make between \$75–100,000 per year.

The destructive 2017 Trump tax cuts, however, imposed a \$10,000 cap on SALT deductions, meaning that if a family pays more than \$10,000 in state and local taxes, the taxes paid in excess of that \$10,000 can no longer be deducted from federal returns raising those families' tax liability significantly.

It just doesn't make sense to have Americans, especially middle-class families living in states with high tax rates, pay extra taxes on the taxes they have already paid.

Most middle-class Americans living in high tax areas are there so their children can go to high caliber public schools or receive better programs.

Many of them made 10, 20, and 30-year investments in home ownership in these high tax areas, relying on the SALT deduction that had been in place for more than 100 years when budgeting for this big expense.

Then they had the rug pulled out from under them and were told they were suddenly liable for thousands of dollars more in taxes per year. For many of these people, that extra tax is a significant portion of their annual income.

These Americans are working hard to give their families the best life possible. Putting a secondary tax on the taxes they have already paid will force many middle-class Americans to struggle.

In fact, middle-class Americans have said that the SALT Cap will, quote: "wipe them out" by forcing them to pay those extra federal taxes in addition to state and local.

This is why I cosponsored H.R. 613, the SALT Deductibility Act, this Congress.

This bipartisan bill would reverse the 2017 law and allow Americans to use the SALT deductions when paying federal taxes without a \$10,000 cap, keeping money in the hands of American working families.

I applaud Congressman SUOZZI for introducing this important legislation. It will have a significant impact to help American families, which is especially important after the devastating economic effect of COVID-19 that has left so many middle-class Americans struggling financially, including many Rhode Islanders.

The 2017 law was more than a mistake, it was bad policy, and I hope that this body does the right thing by taking action to correct it.

#### SUPPORTING STRONG NATIONAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2021, the gentleman from Arkansas (Mr. HILL) is recognized for 60 minutes as the designee of the minority leader.

Mr. HILL. Madam Speaker, I rise today in support of strong national security policies, policies like the remain in Mexico policy, enforcement of our existing interior immigration laws, and the completion of key miles of fencing and technology that protect our southwest border—policies, Madam Speaker, that President Biden hastily removed on his first day in office, without any plan to replace them.

President Biden and the Democrats in the House and Senate supported end-

ing those Trump-era policies. Those policies, Madam Speaker, were working to rein in the flow of illegal immigration.

Now, with no plan and no substitution, the result is pure political theater, simply because those were Trump policies. While they were working, President Biden stopped them.

President Biden appointed Vice President HARRIS to serve as the border czar. One would think that she would act in critical ways to replace those national security policies that were working under the Trump administration and that President Biden ended. Not only did she not present solutions to the historic number of hundreds of thousands of immigrants who were pouring across our southern border, but she refused to visit the border for nearly 100 days since being appointed border czar.

She even laughed at the idea of visiting the border, comparing it to taking a trip to Europe. Finally, after cries from the American people and calls from House and Senate Republicans, she did agree to take a trip to the border.

Madam Speaker, I have been to the border seven times over the past 5½ years, most recently in April. Specifically, I traveled to the Rio Grande sector in the Rio Grande Valley. The conditions I found there were worse than I have seen on my previous trips. In fact, Border Patrol estimates that the drug cartels in Mexico made \$400 million in February alone in human trafficking.

Think about that, Madam Speaker: \$400 million in one month by charging \$5,000 to \$9,000 to traffic hundreds of thousands of people across the border, some innocent, some not.

These drug and human trafficking challenges are just part of the crisis at the border because while Customs and Border Patrol are working on the humanitarian elements of this crisis, drugs are coming across the border and criminals are coming across the border.

In fact, Madam Speaker, we have interdicted in the first 6 months of this year enough fentanyl to kill all in America. It is shocking that we have interdicted that much fentanyl drug that it could kill everyone in this country because it only takes the amount in a Sweet'N Low packet, Madam Speaker, to kill 500 Americans. This is a deadly drug.

The Vice President chose to visit El Paso. El Paso is nearly 1,000 miles west of the Rio Grande Valley, where this crisis has its epicenter. If she had gone to the Rio Grande Valley, she would have seen cartels dropping off migrant families by the dozens and holding camps for migrant families struggling to get the water, time, and care that they need.

Regardless of who designed the policies, the Biden administration should be for stronger national security policies on the border. But the Biden border crisis is out of control, and it is going to take more than a short public relations visit to El Paso to fix it.